



Texas Department of Insurance, Division of Workers' Compensation
Medical Fee Dispute Resolution, MS-48
7551 Metro Center Drive, Suite 100 • Austin, Texas 78744-1609

MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

PART I: GENERAL INFORMATION

Requestor's Name and Address: SUGARLAND SURGICAL HOSPITAL 1211 HIGHWAY 6 STE. 70 SUGARLAND TX 77478	MFDR Tracking #:	M4-10-2809-01
	DWC Claim #:	
	Injured Employee:	
Respondent Name and Box #: SERVICE LLOYDS INSURANCE CO REP. BOX #: 17	Date of Injury:	
	Employer Name:	
	Insurance Carrier #:	

PART II: REQUESTOR'S POSITION SUMMARY AND PRINCIPLE DOCUMENTATION

Requestor's Position Summary as stated on the Table of Disputed Services: "Request increased reimb. Request increased reimb. Request increased reimb. Request recoupe."

Principle Documentation:

1. DWC 60 package
2. Hospital or Medical Bill
3. EOB
4. Medical Reports
5. Total Amount Sought \$2,387.94

PART III: RESPONDENT'S POSITION SUMMARY AND PRINCIPLE DOCUMENTATION

Respondent's Position Summary: "...The bill has been reprocessed to pay per the Texas fee schedule per OPPS for CPT 29826 @\$6502.22 and for CPT 29824 @\$1943.12. An additional payment of \$1470.85, which includes interest of \$27.26, for 179 days @ interest rate of 3.85%, is included in the additional payment... CPT 64416 (injection, anesthetic agent; brachial plexus, continuous infusion by catheter (including catheter placement) has been denied as not documented in the operative report as performed. As it was not documented in the operative report as performed by the Surgeon, it is assumed this was performed by the anesthesia department and would be considered anesthesia... An adjustment was processed for CPT 96374 to recoup the amount paid as requested ..."

Principle Documentation:

1. DWC 60 package

PART IV: SUMMARY OF FINDINGS

Date(s) of Service	Services in Dispute	Calculation	Amount in Dispute	Amount Due
03/23/2009	CPT Codes 29826-RT, 29824-RT, 64416, 96374	APC for CPT Codes 29826-RT, 29824-RT, 64416, and 96374 is \$8,932.04 – 8,987.78 (carrier payments and deductions)	\$2,387.94	\$0.00
Total Due:				\$0.00

PART V: REVIEW OF SUMMARY, METHODOLOGY AND EXPLANATION

Texas Labor Code Section 413.011(a-d), titled *Reimbursement Policies and Guidelines*, and Division Rule §134.403, titled **Hospital Facility Fee Guideline – Outpatient**, effective for medical services provided in an outpatient acute care hospital on or after March 1, 2008, set out the reimbursement guidelines for Hospital outpatient services.

This dispute was filed in the form and manner as prescribed by 28 TAC §133.307 and is eligible for Medical Dispute Resolution under 28 TAC §133.305 (a)(4).

1. The services listed in Part IV of this decision were denied or reduced by the Respondent with the following reason codes:
Explanation of benefits with the listed date of audit 08/06/2009:
 - 150, X901 – Documentation does not support level of service billed;
 - 150, Z652 – Recommendation of payment has been based on a procedure code which best describes services rendered;
 - W1, U849 – This multiple procedure was reduced 50%% according to fee schedule or usual and customary guidelines; and
 - 42, Z710 – The charge for this procedure exceeds the fee schedule allowance.Explanation of benefits with the listed date of audit 11/03/2009:
 - 150, X901 – Documentation does not support level of service billed;
 - 150, Z652 – Recommendation of payment has been based on a procedure code which best describes services rendered;
 - 42, Z710 – The charge for this procedure exceeds the fee schedule allowance; and
 - 17, W1, U849 – This multiple procedure was reduced 50%% according to fee schedule or usual and customary guidelines.
2. Rule 134.403 (e) states in pertinent part, “Regardless of billed amount, reimbursement shall be:
 - (1) the amount for the service that is included in a specific fee schedule set in a contract that complies with the requirements of Labor Code 413.011; or
 - (2) if no contracted fee schedule exists that complies with Labor Code 413.011, the maximum allowable reimbursement (MAR) amount under subsection (f), including any applicable outlier payment amounts and reimbursement for implantables;”
3. Pursuant to Rule §134.403(f), “The reimbursement calculation used for establishing the MAR shall be the Medicare facility specific amount, including outlier payment amounts, determined by applying the most recently adopted and effective Medicare Outpatient Prospective Payment System (OPPS) reimbursement formula and factors as published annually in the *Federal Register*. The following minimal modifications shall be applied.
 - (1) The sum of the Medicare facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by:
 - (A) 200 percent; unless
 - (B) a facility or surgical implant provider requests separate reimbursement in accordance with subsection (g) of this section, in which case the facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by 130 percent.
4. Under the Medicare Outpatient Prospective Payment System (OPPS), all services paid under OPPS are classified into groups called Ambulatory Payment Classifications or APCs. Services in each APC are similar clinically and in terms of the resources they require. A payment rate is established for each APC. Depending on the services provided, hospitals may be paid for more than one APC for an encounter. Within each APC, payment for ancillary and supportive items and services is packaged into payment for the primary independent service. Separate payments are not made for a packaged service, which is considered an integral part of another service that is paid under OPPS. An OPPS payment status indicator is assigned to every HCPCS code. Status codes are proposed and finalized by Medicare periodically. The status indicator for each HCPCS codes is shown in OPPS Addendum B which is publicly available through the Centers for Medicare and Medicaid services. A full list of status indicators and their definitions is published in Addendum D1 of the OPPS proposed and final rules each year which is also publicly available through the Centers for Medicare and Medicaid services.
5. Upon review of the documentation submitted by the Requestor and Respondent, the Division finds that:
 - (1) No contract exists;
 - (2) MAR can be established for these services; and
 - (3) Separate reimbursement for implantables was *NOT* requested by the requestor.
6. CPT codes 29826-RT and 29824-RT are considered Status T codes. Status T is defined as Outpatient significant procedures subject to multiple procedure discounting. The highest paying Status T APC is paid at 100%; all others are paid at 50%. The APC payment for CPT Code 29826-RT is \$3,229.65 and for CPT Code 29824-RT is \$965.15. The total APC payment the two codes is \$4,194.80; multiplied by 200% equals \$8,389.60. The Respondent paid \$0.00 for CPT Code 29824-RT on both the first and second denials, denying the procedure for lack of documentation.

After submission to Medical Fee Dispute Resolution the Respondent paid \$1,943.12 for CPT Code 29824-RT and \$42.91 for CPT Code 29826-RT plus interest; then deducted \$470.66 and \$71.78. As a result, the reimbursement amount is \$0.00

7. CPT Code 64416 was initially paid \$470.66, which is the correct reimbursement amount. After the Requestor submitted the dispute to MFDR the Respondent made an additional reimbursement and deducted \$470.66 citing in their position statement that this code was denied as "not documented in the operative report as performed." According to 28 Tx. Admin. Code Section 133.307(d)(2)(B) the response shall address only those denial reasons presented to the requestor prior to the date the request for MDR was filed with the Division and the other party. Any new denial reasons or defenses raised shall not be considered in the review... However, in accordance with 28 Tx. Admin. Code Section 133.307(e)(2) the Division may raise issues in the MDR process when it determines such as action to be appropriate to administer the dispute process consistent with the provisions of the Labor Code and Division rules. Review of the submitted operative report does not document this procedure. As a result, the reimbursement amount is \$0.00.
8. The Requestor requested the Respondent to recoup the amount of \$71.78 for CPT Code 96374; therefore, this code is not in dispute.

Based upon the documentation submitted by the parties and in accordance with Texas Labor Code Sec. 413.031 (c), the Division concludes that the requestor is not due additional payment. As a result, the amount ordered is \$0.00.

PART VI: GENERAL PAYMENT POLICIES/REFERENCES

Texas Labor Code Sec. 413.011(a-d), 413.031 and 413.0311
28 TAC Rule §134.403
28 TAC Rule §133.305
28 TAC Rule §133.307

PART VII: DIVISION DECISION

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code §413.031 and §413.019 (if applicable), the Division has determined that the requestor is not entitled to additional reimbursement for the services involved in this dispute.

April 9, 2010

Authorized Signature

Auditor III
Medical Fee Dispute Resolution

Date

PART VIII: : YOUR RIGHT TO REQUEST AN APPEAL

Either party to this medical fee dispute has a right to request an appeal. A request for hearing must be in writing and it must be received by the DWC Chief Clerk of Proceedings within **20** (twenty) days of your receipt of this decision. A request for hearing should be sent to: Chief Clerk of Proceedings, Texas Department of Insurance, Division of Workers Compensation, P.O. Box 17787, Austin, Texas, 78744. **Please include a copy of the Medical Fee Dispute Resolution Findings and Decision** together with other required information specified in Division Rule 148.3(c).

Under Texas Labor Code Section 413.0311, your appeal will be handled by a Division hearing under Title 28 Texas Administrative Code Chapter 142 Rules if the total amount sought does not exceed \$2,000. If the total amount sought exceeds \$2,000, a hearing will be conducted by the State Office of Administrative Hearings under Texas Labor Code Section 413.031.

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.